



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0416	Title:	Secretary of state - department of revenue taxpayer identification
Primary Sponsor:	Kaufmann, Christine	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
Proprietary	\$24,000	\$0	\$0	\$0
Revenue:				
Proprietary	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

The bill creates coordination between the Secretary of State's Office and the Department of Revenue related to federal tax identification numbers. The Secretary of State will modify its existing database for a one time cost of \$24,000 of proprietary funding.

FISCAL ANALYSIS

Assumptions:

Secretary of State

1. SB 416 requires the disclosure of the federal tax identification number of a business entity on the Annual Report filed with the Secretary of State's Office (SOS).
2. The SOS database shall be enhanced to maintain the Federal Tax ID number and the Department of Revenue specific tax year data as defined by the bill.
3. The one time cost to modify the existing database is \$24,000. The estimated cost includes time to code and test modifications to the existing system used for the web interface process for accessing Corporation and LLC mainframe data, test the application online modifications to add, change, inquiry, and update history screens, test batch reporting enhancements, a process to update the current SOS database to include existing

Federal Tax IDs, and additional data as received from DOR, and to define security for both the SOS mainframe application and the BEAR interface process.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Secretary of State				
<u>Expenditures:</u>				
Operating Expenses	\$24,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
Proprietary	\$24,000	\$0	\$0	\$0
TOTAL Funding of Exp.	\$24,000	\$0	\$0	\$0
<u>Revenues:</u>				
Proprietary	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Proprietary	(\$24,000)	\$0	\$0	\$0

Technical Concerns:

1. Section 3 requires that the list be furnished by December 15. It is not clear whether the list would include all returns from January 1 through December 15 or the list would be established between the two agencies. It is assumed that the list would not include tax returns filed prior to the effective date of the legislation.
2. The business activity code is not currently entered into computer systems. The legislation only requires the business activity code "if available."

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date